

EXHIBIT “A”

CASE No. 20CV15788

Case Type: **Contract**
Date Filed: **04/20/2020**
Location: **Marion**

Attorneys

JOHN S RAZOR
Retained
503 362-5600(W)

OTHER EVENTS AND HEARINGS

04/20/2020	<u>Complaint</u>	
	Created: 04/21/2020 1:07 PM	
04/20/2020	<u>Service</u>	
	1st Source Bank	Unreserved
	Created: 04/21/2020 1:07 PM	
04/21/2020	<u>Assignment - Trial Judge</u> (Judicial Officer: Burton, Claudia M)	
	<i>emailed atty 4/22</i>	
	Created: 04/21/2020 3:03 PM	

884.00
884.00
0.00

04/21/2020	Transaction Assessment			884.00
04/21/2020	xWeb Accessed eFile	Receipt # 2020-303846	Valley Equipment Company, Inc	(884.00)

IN THE CIRCUIT COURT OF THE STATE OF OREGON
FOR THE COUNTY OF MARION

VALLEY EQUIPMENT COMPANY, INC. an Oregon corporation,) No. 20CV15788
)
Plaintiff,) COMPLAINT
vs.) (Breach of Contract; Intentional Interference with Economic Relations).
)
1 st SOURCE BANK, an Indiana corporation,) NOT SUBJECT TO MANDATORY ARBITRATION
)
Defendant.) Filing Fee Statute: ORS 21.160(1)(d)
)
) Filing Fee Amount: \$884.00

Plaintiff, VALLEY EQUIPMENT COMPANY, INC. an Oregon corporation, by and through its attorney, The Law Office of John S. Razor, makes this Complaint as follows:

GENERALLY

1.

Plaintiff, VALLEY EQUIPMENT COMPANY, INC. (hereinafter "VALLEY") is an Oregon corporation, conducting regular and sustained business practices, and having its principal office in Marion County, Oregon.

2.

Defendant, 1st SOURCE BANK (hereinafter "1st SOURCE") is an Indiana corporation, with minimum contacts, and sustained business activities in Marion County, Oregon.

///

3.

1 VALLEY and 1st SOURCE entered into a Loan and Security Agreement dated
2 October 31st, 2005, which was subsequently amended and restated by an Amended and
3 Restated Loan and Security Agreement dated July 1, 2011. Such Agreement, as
4 amended, was essentially an inventory "flooring" agreement. Under such Agreement 1st
5 SOURCE was the "LENDER" and VALLEY was the "BORROWER."
6

4.

7 VALLEY maintained independent LENDER/BORROWER relationships with
8 another lender for its Account Receivable financing or factoring. Subsequently, 1st
9 SOURCE approached VALLEY and indicated that it could provide VALLEY with
10 more substantial credit limits and more favorable terms.
11

5.

12 1st SOURCE was aware of VALLEY's existing banking relationships and in
13 fact required VALLEY to curtail its LENDER/BORROWER relationships with its
14 other existing lenders. 1st SOURCE assured VALLEY that it would provide financing
15 of VALLEY's accounts receivable.
16

6,

17 VALLEY relied on 1st SOURCE's representations concerning the promised
18 forthcoming accounts receivable loans. Meanwhile, again as a result of 1st SOURCE's
19 representations and actions, VALLEY's alternate financing was no longer available.
20

7.

21 Throughout the LENDER/BORROWER relationship between 1st SOURCE and
22 VALLEY, and leading up to the new accounts receivable lending relationship, 1st
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1 SOURCE would promptly process VALLEY's loan requests and documentation.
2 Through such actions VALLEY and 1st SOURCE created a "Course of Dealing" and
3 "Course of Performance" upon which VALLEY had come to expect.

4 8.

5 Ultimately, after a prolonged and unwarranted delay in consummating the
6 account receivable financing, 1st SOURCE declared a default on the flooring agreement,
7 and accelerated that loan, all to VALLEY's detriment.
8

9
10 FIRST CLAIM FOR RELIEF
11 Breach of Contract – Promissory Estoppel

12 9.

13 Plaintiff realleges and alleges Paragraphs 1 through 8; x through x, and
14 incorporates the same herein.
15

16 10.

17 Defendant promised to provide accounts receivable financing to Plaintiff.
18

19 11.

20 Defendant knew, or in the exercise of reasonable care should have known, that
21 Plaintiff would rely on such representation and take action in reliance thereon.
22

23 12.

24 Plaintiff did in fact rely on Defendant's representations as further alleged herein.
25 Plaintiff suffered economic loss as a direct and proximate cause of its reliance on
26 Defendant's representations, including but not limited to the inability to meet its
27 financial obligations in other agreements with Defendant, and others.
28

29 ///

13.

In attempting to mitigate its losses Plaintiff was required to liquidate equipment and inventory, in most cases at significant loss to Plaintiff.

14.

Plaintiff's reliance on Defendant's representations was reasonable under the circumstance, and resulted in a substantial and detrimental change in Plaintiff's position.

15.

As a direct and proximate cause of Defendant's actions Plaintiff has suffered economic damages in the amount of 6.5 million dollars, or such other amount as is proved at trial.

16.

Plaintiff is entitled to recover its costs and disbursements pursuant to ORCP 68.

SECOND CLAIM FOR RELIEF
Intentional Interference with Economic Relations

17.

Plaintiff realleges and alleges Paragraphs 1 through 8; and, 10 through 16, and incorporates the same herein.

18.

An economic relationship existed between VALLEY and its accounts receivable lenders as alleged herein.

19.

1st SOURCE's actions were aimed at interfering with, and did in fact interfere with, the economic relations between VALLEY and its accounts receivable lenders.

20.

1
2 Ist SOURCE is a "third party" in that it is not a party to the agreements or
3 relationship between VALLEY and its existing accounts receivable lenders.
4

21.

5
6 Ist SOURCE's actions were improper and taken for an improper purpose and
7 used to induce Plaintiff's accounts receivable lenders to curtail business with Plaintiff,
8 and to induce Plaintiff to curtail such business with its existing accounts receivable
9 lenders.
10

22.

11
12 Defendant, Ist SOURCE, actions did in fact induce Plaintiff, and its existing
13 accounts receivable lenders, to curtail business with each other related to accounts
14 receivable factoring.
15

23.

16
17 As a direct and proximate cause of Defendant's conduct Plaintiff suffered
18 economic damages in the amount of 6.5 million dollars, or such other amount as is
19 proved at trial.
20

24.

21
22 Plaintiff is entitled to recover its costs and disbursements pursuant to ORCP 68.
23

24
25 WHEREFORE, Plaintiff prays for the following relief:
26

27
28 A) For economic damages in the amount of 6.5 million dollars, or such other
29 amount as is proved at trial;
30
31

- 1 B) An Order and Judgment enjoining Defendant from taking any adverse
2 actions against Plaintiff, or its affiliated entities or individuals, based on any
3 of Plaintiff's breaches of agreements between Plaintiff and Defendant,
4 which were caused, induced or inevitable in light of Defendant's wrongful
5 actions as alleged herein;
6
7 C) For costs and disbursements pursuant to ORCP 68; and,
8
9 D) For such other relief as this Court deems just and equitable.

10 DATED this 15th day of April, 2020.

11
12 Law Office of John S. Razor

13
14 By s/John S. Razor
15 John S. Razor, OSB 96022
16 Attorney for Plaintiff

17
18 The factual assertions contained in this Complaint are based on personal
19 knowledge and shall be supported by evidence.

20 Valley Equipment Company, Inc.

21
22 By: 

23 Roger Jensen, President
24
25
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27
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29
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EXHIBIT “B”

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Attorney for 1st Source Bank

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF OREGON
EUGENE DIVISION

VALLEY EQUIPMENT COMPANY, INC.,

Plaintiff,

v.

1st SOURCE BANK,

Defendant.

Case No. _____

**DECLARATION OF
COURTNEY RHOADES**

I, Courtney Rhoades, declare under penalties of perjury as set forth in 28 U.S.C. § 1746, that I am over the age of 18, and if called to do so, could and would testify competently to the following facts based on my own personal knowledge:

1. I am the Loan Workout Officer of Defendant, 1st Source Bank, and have been employed by 1st Source Bank since August, 2008.

2. At the time Plaintiff filed its Complaint against 1st Source Bank on April 20, 2020 in the Circuit Court of the State of Oregon for the County of Marion, and at all relevant times prior, 1st Source Bank was and has been an Indiana corporation with its principal place of business in St. Joseph County, Indiana.

FURTHER DECLARANT SAYETH NOT

Dated: April 30, 2020


Courtney Rhoades